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OGC 81-08840

14 October 1981

MEMORANDUM FOR: Deputy Director for Operations

Deputy Director for National Foreign Assessment

Deputy Director for Administration

Deputy Director for Science and Technology

THROUGH:

Deputy General Counsel

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FROM:

Assistant General Counsel

SUBJECT:

American Telephone and Telegraph v. United States—Court of Claims No. 587-81 C

1. On 13 October 1981, this Office received a copy of the Petition filed against the United States by American Telephone and Telegraph (AT&T), Western Electric and Bell Telephone. The claim has been filed pursuant to the Invention Secrecy Act, 35 U.S.C. 183, for compensation arising from the Government's suppression of a patent application filed by the petitioners in 1948.

2. According to the Petition, the Department of The Army requested that the Commissioner of Patents issue a secrecy order covering the patent application in 1949, and that secrecy order remained in effect until 1975 when the Commissioner of Patents rescinded the order at the request of the National Security Agency. The petitioners have now filed a claim for compensation for the Government's use of the invention during that period of time and for the petitioners' loss of patent protection caused by issuance of the secrecy order. In this connection, please advise this Office at your earliest possible convenience, and no later than 20 days from this date, whether your Directorate has ever manufactured or used the subject invention through the purchase, lease, or development of:

Equipment which employed pulse code modulation techniques such as digital transmission equipment, including channel banks, time division switching systems, private branch exchanges, and/or encryption systems. Also included are pulse code modulation systems for secure telephone transmission, other digital transmission systems and associated equipment, and other telecommunications systems.

Petitioners have further described the subject invention as follows:

- ...Goodall invented a pulse code modulation communication system utilizing code groups of pulse elements. In one aspect of the invention, individual pulse elements in code groups are suppressed and other pulse elements are substituted. The substituted pulse elements are subsequently recovered at a receiver. Another aspect of the invention pertains to encryption of signals in the pulse code modulation communications system.
- 3. We must advise the Department of Justice concerning any Agency use, purchase, or manufacture of this technology as soon as possible. Your cooperation in collecting the required information within the existing time constraints is greatly appreciated.

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